II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 25 November 1999

authorising the Republic of Finland to apply or to continue to apply reductions in, or exemptions from, excise duties on certain mineral oils used for specific purposes, in accordance with the procedure provided for in Article 8(4) of Directive 92/81/EEC

(1999/785/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 92/81/EEC of 19 October 1992 on the harmonisation of the structures of excise duties on mineral oils [1], and in particular Article 8(4),

Having regard to the proposal from the Commission,

Whereas:

(1) Under Article 8(4) of Directive 92/81/EEC, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce exemptions from, or reductions in, excise duties on mineral oils on grounds of specific policy considerations;

(2) The Finnish authorities have notified the Commission that they wish to apply to natural gas an exemption from excise duty with a view to promoting the use of gas, particularly as a fuel for heavy urban traffic; in the Republic of Finland's view this complies with the objectives of trying to reduce traffic emissions; since natural gas is comparable to LPG as regards impact on the environment, it should enjoy the same tax treatment when used as motor fuel, and it would be justified to extend the same tax exemptions to natural gas as already granted to LPG and methane; another reason for granting natural gas an exemption from excise duty is that it has virtually the same chemical structure as methane; different tax treatment for these two gases would also be extremely difficult in terms of control;

(3) The other Member States have been informed thereof;

(4) The Commission and all the Member States accept that the application of an exemption from excise duty on natural gas is justified on environmental policy grounds and that it will not give rise to distortions of competition or hinder the operation of the internal market;

(5) The Commission regularly reviews reductions and exemptions to check that they are compatible with the operation of the internal market or with Community policy on protection of the environment;

(6) The Republic of Finland has requested authorisation to apply an exemption from excise duty on natural gas as soon as possible; the Council is to review its application on the basis of a report from the Commission no later than 31 December 1999, when the authorisation granted by this Decision expires,

HAS ADOPTED THIS DECISION:

Article 1

In accordance with Article 8(4) of Directive 92/81/EEC and without prejudice to the obligations laid down in Council Directive 92/82/EEC of 19 October 1992 on the approximation of the rates of excise duties on mineral oils [2], and in particular the minimum rates laid down in Article 7 thereof, the Republic of Finland is hereby authorised to apply an exemption from excise duty on natural gas when used as motor fuel until 31 December 1999.

[1] OJ L 316, 31.10.1992, p. 12. Directive as last amended by Directive 94/74/EC (OJ L 365, 31.12.1994, p. 46.

[2] OJ L 316, 31.10.1992, p. 19.

Article 2

This Decision is addressed to the Republic of Finland.

Done at Brussels, 25 November 1999.

For the Council
The President
S. SIIMES